

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 505 be amended to read as follows:

- 1 Page 3, after line 28 , begin a new paragraph and insert:
- 2 "SECTION 16. IC 6-3.5-7-5, AS AMENDED BY P.L.192-2002(ss),
- 3 SECTION 121, IS AMENDED TO READ AS FOLLOWS: Sec. 5. (a)
- 4 Except as provided in subsection (c), the county economic
- 5 development income tax may be imposed on the adjusted gross income
- 6 of county taxpayers. The entity that may impose the tax is:
- 7 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 8 the county option income tax is in effect on January 1 of the year
- 9 the county economic development income tax is imposed;
- 10 (2) the county council if the county adjusted gross income tax is
- 11 in effect on January 1 of the year the county economic
- 12 development tax is imposed; or
- 13 (3) the county income tax council or the county council,
- 14 whichever acts first, for a county not covered by subdivision (1)
- 15 or (2).
- 16 To impose the county economic development income tax, a county
- 17 income tax council shall use the procedures set forth in IC 6-3.5-6
- 18 concerning the imposition of the county option income tax.
- 19 (b) Except as provided in subsections (c), (g), (k), ~~and~~ (p), **and** (r)
- 20 the county economic development income tax may be imposed at a rate
- 21 of:
- 22 (1) one-tenth percent (0.1%);
- 23 (2) two-tenths percent (0.2%);
- 24 (3) twenty-five hundredths percent (0.25%);
- 25 (4) three-tenths percent (0.3%);

- 1 (5) thirty-five hundredths percent (0.35%);  
2 (6) four-tenths percent (0.4%);  
3 (7) forty-five hundredths percent (0.45%); or  
4 (8) five-tenths percent (0.5%);

5 on the adjusted gross income of county taxpayers.

6 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n),  
7 (o), or (p), the county economic development income tax rate plus the  
8 county adjusted gross income tax rate, if any, that are in effect on  
9 January 1 of a year may not exceed one and twenty-five hundredths  
10 percent (1.25%). Except as provided in subsection (g) or (p), the county  
11 economic development tax rate plus the county option income tax rate,  
12 if any, that are in effect on January 1 of a year may not exceed one  
13 percent (1%).

14 (d) To impose, increase, decrease, or rescind the county economic  
15 development income tax, the appropriate body must, after January 1 but  
16 before April 1 of a year, adopt an ordinance. The ordinance to impose  
17 the tax must substantially state the following:

18 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
19 development income tax on the county taxpayers of \_\_\_\_\_  
20 County. The county economic development income tax is imposed at  
21 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
22 county. This tax takes effect July 1 of this year."

23 (e) Any ordinance adopted under this chapter takes effect July 1  
24 of the year the ordinance is adopted.

25 (f) The auditor of a county shall record all votes taken on  
26 ordinances presented for a vote under the authority of this chapter and  
27 shall, not more than ten (10) days after the vote, send a certified copy  
28 of the results to the commissioner of the department by certified mail.

29 (g) This subsection applies to a county having a population of  
30 more than one hundred forty-eight thousand (148,000) but less than  
31 one hundred seventy thousand (170,000). Except as provided in  
32 subsection (p), in addition to the rates permitted by subsection (b), the:

33 (1) county economic development income tax may be imposed  
34 at a rate of:

35 (A) fifteen-hundredths percent (0.15%);

36 (B) two-tenths percent (0.2%); or

37 (C) twenty-five hundredths percent (0.25%); and

38 (2) county economic development income tax rate plus the  
39 county option income tax rate that are in effect on January 1 of  
40 a year may equal up to one and twenty-five hundredths percent  
41 (1.25%);

42 if the county income tax council makes a determination to impose rates  
43 under this subsection and section 22 of this chapter.

44 (h) For a county having a population of more than forty-one  
45 thousand (41,000) but less than forty-three thousand (43,000), except  
46 as provided in subsection (p), the county economic development  
47 income tax rate plus the county adjusted gross income tax rate that are  
48 in effect on January 1 of a year may not exceed one and thirty-five  
49 hundredths percent (1.35%) if the county has imposed the county  
50 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)  
51 under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
- (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and  
 (2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

**(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:**

**(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and**

**(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);**

**if the county council makes a determination to impose rates under this subsection and section 27 of this chapter."**

SECTION 17. IC 6-3.5-7-12, AS AMENDED BY P.L.192-2002(ss), SECTION 122, IS AMENDED TO READ AS FOLLOWS: Sec. 12. (a) Except as provided in sections 23, 25, ~~and 26,~~ **and 27** of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus

(ii) after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month;

1 multiplied by  
 2 (B) a fraction. For a city or town, the numerator of the  
 3 fraction equals the population of the city or the town. For a  
 4 county, the numerator of the fraction equals the population  
 5 of the part of the county that is not located in a city or town.  
 6 The denominator of the fraction equals the sum of the  
 7 population of all cities and towns located in the county and  
 8 the population of the part of the county that is not located in  
 9 a city or town.

10 (3) The ordinance may be made irrevocable for the duration of  
 11 specified lease rental or debt service payments.

12 (d) The body imposing the tax may not adopt an ordinance under  
 13 subsection (c) if, before the adoption of the proposed ordinance, any of  
 14 the following have pledged the county economic development income  
 15 tax for any purpose permitted by IC 5-1-14 or any other statute:

16 (1) The county.

17 (2) A city or town in the county.

18 (3) A commission, a board, a department, or an authority that is  
 19 authorized by statute to pledge the county economic  
 20 development income tax.

21 (e) The department of local government finance shall provide each  
 22 county auditor with the fractional amount of the certified distribution  
 23 that the county and each city or town in the county is entitled to receive  
 24 under this section.

25 (f) Money received by a county, city, or town under this section  
 26 shall be deposited in the unit's economic development income tax fund.

27 (g) Except as provided in subsection (b)(2)(B), in determining the  
 28 fractional amount of the certified distribution the county and its cities  
 29 and towns are entitled to receive under subsection (b) during a calendar  
 30 year, the department of local government finance shall consider only  
 31 property taxes imposed on tangible property subject to assessment in  
 32 that county.

33 (h) In a county having a consolidated city, only the consolidated  
 34 city is entitled to the certified distribution, subject to the requirements  
 35 of sections 15, 25, and 26 of this chapter.

36 SECTION 18. IC 6-3.5-7-13.1, AS AMENDED BY  
 37 P.L.192-2002(ss), SECTION 123, IS AMENDED TO READ AS  
 38 FOLLOWS: Sec. 13.1. *Effective 1-1-2003.* (a) The fiscal officer of each  
 39 county, city, or town for a county in which the county economic  
 40 development tax is imposed shall establish an economic development  
 41 income tax fund. Except as provided in sections 23, 25, ~~and 26, and 27~~  
 42 of this chapter, the revenue received by a county, city, or town under  
 43 this chapter shall be deposited in the unit's economic development  
 44 income tax fund.

45 (b) Except as provided in sections 15, 23, 25, ~~and 26, and 27~~ of  
 46 this chapter, revenues from the county economic development income  
 47 tax may be used as follows:

48 (1) By a county, city, or town for economic development  
 49 projects, for paying, notwithstanding any other law, under a  
 50 written agreement all or a part of the interest owed by a private

developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

1 (K) facilities;  
 2 (L) administrative expenses associated with such a project,  
 3 including contract payments authorized under subsection  
 4 (b)(2)(D);  
 5 (M) operating expenses authorized under subsection  
 6 (b)(2)(E); or  
 7 (N) to the extent not otherwise allowed under this chapter,  
 8 substance removal or remedial action in a designated unit;  
 9 or any combination of these.

10 SECTION 19. IC 6-3.5-7-27 IS ADDED TO THE INDIANA CODE  
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 12 UPON PASSAGE]: **Sec. 27. (a) This section applies to a county**  
 13 **that:**

14 (1) operates a courthouse that is subject to an order that:  
 15 (A) is issued by a federal district court;  
 16 (B) applies to an action commenced before January 1, 2003;  
 17 and

18 (C) requires the county to comply with the American with  
 19 Disabilities Act; (2) has insufficient revenues to finance the  
 20 construction, acquisition, improvement, renovation, equipping, and  
 21 operation of the courthouse facilities and related facilities.

22 (b) A county described in this section possesses unique fiscal  
 23 challenges in financing, renovating, equipping, and operating the  
 24 county courthouse facilities and related facilities because the  
 25 county consistently has one has one of the highest unemployment  
 26 rates in Indiana. Maintaining low property tax rates is essential to  
 27 economic development in the county. The use of economic  
 28 development income tax revenues under this section for the  
 29 purposes described in subsection (c) promotes that purpose.

30 (c) In addition to actions authorized by section 5 of this chapter, a  
 31 county council may, using the procedures set forth in this chapter,  
 32 adopt an ordinance to impose an additional county economic  
 33 development income tax on the adjusted gross income of county  
 34 taxpayers. The ordinance imposing the additional tax must include  
 35 a finding that revenues from additional tax are needed to pay the  
 36 costs of:

37 (1) constructing, acquiring, improving, renovating, equipping,  
 38 or operating the county courthouse or related facilities;

39 (2) repaying any bonds issued, or leases entered into, for  
 40 constructing, acquiring, improving, renovating, equipping, or  
 41 operating the county courthouse or related facilities; and

42 (3) economic development projects described in the county's  
 43 capital improvement plan.

44 (d) The tax rate imposed under this section may not exceed twenty-  
 45 five hundredths percent (0.25%).

46 (e) If the county council adopts an ordinance to impose an  
 47 additional tax under this section, the county auditor shall  
 48 immediately send a certified copy of the ordinance to the  
 49 department by certified mail. The county treasurer shall establish  
 50 a county facilities revenue fund to be used only for the purposes



1 described in subsection (c)(1) and (c)(2). The amount of county  
2 economic development income tax revenues derived from the tax  
3 rate imposed under this section that are necessary to pay the const  
4 described in subsection (c)(1) and (c)(2) shall be deposited into the  
5 county facilities revenue fund before a certified distribution is  
6 made under section 12 of this chapter. The remainder shall be  
7 deposited into the economic development income tax funds of the  
8 county's units.

9 (f) County economic development income tax revenues derived  
10 from the tax rate imposed under this section may not be used for  
11 purposes other than those described in this section.

12 (g) County economic development income tax revenues derived  
13 from the tax rate imposed under this section that are deposited into  
14 the county facilities revenue fund may not be considered by the  
15 department of local government finance in determining the  
16 county's ad valorem property tax levy for an ensuing calendar year  
17 under IC 6-1.1-18.5.

18 (h) Notwithstanding section 5 of this chapter, and ordinance may  
19 be adopted under this section at any time. If the ordinance is  
20 adopted before June 1 of a year, a tax rate imposed under this  
21 section takes effect July 1 of that year. If the ordinance is adopted  
22 after May 31 of a year, a tax rate imposed under this section takes  
23 effect on the January 1 immediately following adoption of the  
24 ordinance.

25 (i) For a county adopting an ordinance before June 1 in a year, in  
26 determining the certified distribution under section 11 of this  
27 chapter for the calendar year beginning with the immediately  
28 following January 1 and each calendar year thereafter, the  
29 department shall take into account the certified ordinance mailed  
30 to the department under subsection (e). For a county adopting an  
31 ordinance after May 31, the department shall issue an initial or  
32 revised certified distribution for the calendar year beginning with  
33 the immediately following January 1. Except for a county  
34 adopting an ordinance after May 31, a county's certified  
35 distribution shall be distributed on the dates specified under  
36 section 16 of this chapter. In the case of a county adopting an  
37 ordinance after May 31, the county, beginning with the calendar  
38 year beginning on the immediately following January 1, shall  
39 receive the entire certified distribution for the calendar year on  
40 November 1 of the year.

41 (j) Notwithstanding any other law, funds accumulated from the  
42 county economic development income tax imposed under this  
43 section and deposited into the the county facilities revenue fund or  
44 any other revenues of the county may be deposited into a  
45 nonreverting fund of the county to be used for operating costs of  
46 the courthouse facilities, juvenile detention facilities, or related  
47 facilities. Amounts in the county nonreverting fund may not be  
48 used by the department of local government finance to reduce the  
49 county's ad valorem property tax levy for an ensuing calendar year  
50 under IC 6-1.1-18.5"

- 1           Page 23, after line 8 , begin a new paragraph and insert:
- 2           "SECTION 22. **An emergency is declared for this act.**"  
              (Reference is to ESB 0505 as printed April 1, 2003.)

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Representative HOFFMAN